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May 18, 2007

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APPLICATION

8100-67039

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: Miogypsinoides Zone, Reservoirs C and D
East Lake Arthur Field
Jefferson Davis and Acadia Parishes, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **PETROQUEST ENERGY, LLC** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters related to the **Miogypsinoides Zone, Reservoirs C and D**, in the **East Lake Arthur Field**, Jefferson Davis and Acadia Parishes, Louisiana, to-wit:

1. To establish rules and regulations and create two (2) drilling and production units for the exploration for and production of gas and condensate, such units to be designated MIOGYP RC SUA and MIOGYP RD SUA;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed units, with each tract sharing in unit production on a surface acreage basis of participation;
3. To provide that any future wells drilled to the Miogypsinoides Zone, Reservoirs C and D, should be located in accordance with the spacing provisions of Statewide Order No. 29-E;

4. To provide that the Commissioner of Conservation should be authorized to reclassify the Miogypsinoides Zone, Reservoirs C and D, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoirs change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Miogypsinoides Zone, in the East Lake Arthur Field, Jefferson Davis and Acadia Parishes, Louisiana was fully defined in Office of Conservation Order No. 652-A-3, effective August 16, 2005.

A conference to discuss the proposed application and any opposition thereto was held at 10:30 a.m. on the 17th of May, 2007, at The Petroleum Club of Lafayette, 111 Heymann Blvd., Lafayette, LA (337)232-2582. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion of the Rules of Procedures. Bill McAlister, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefore, and answered questions. A counterplan to the applicant's proposed MIOGYC RC SUA was presented by Frank Harrison, geological consultant representing Howard Hughes. Counterplans to the applicant's proposed MIOGYC RD SUA were presented by Kathleen Little, representing herself, and David Sturlese, geological consultant representing Thibodaux, et al. Greg Mouton, representing himself, expressed opposition to the applicant's proposed MIOGYC RC SUA and MIOGYC RD SUA and indicated that he intended to hire a consultant and present a counterplan at a later date. A supporting statement for the applicant's proposed MIOGYC RC SUA and MIOGYC RD SUA was given by Bill Robbins, geological consultant representing the Foreman interests. No resolution of the differences was reached, and the conference was adjourned.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting Bill McAlister with Leon E. Comeaux & Associates, P.O. Box 53922, Lafayette, LA 70505, (337) 233-9839.

There is attached hereto and made a part hereof a plat outlining the proposed units and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

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Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,


RANDALL C. SONGY

RCS/jbs/bad

Enclosures

cc: All Interested Owners, Interested Parties and
Represented Parties

Mr. Richard Hudson, District Manager
Office of Conservation

